

General Information Letter. No information reporting requirements for dividends, interest, original issue discount or IRA distributions.

September 11, 1998

Dear:

This is in response to your letter of August 1, 1998. Department rules require that the Department issue two types of letter rulings, private letter rulings (PLRs) and general information letters (GILs). For your general information we have enclosed a copy of 2 Ill. Adm. Code 1200 regarding letter rulings and other information issued by the Department.

Although you have not specifically requested either type of ruling, the nature of your questions and the information provided require that we respond with a GIL. GILs are designed to provide background information on specific topics, however, GILs are not rulings that are binding on the Department, but PLRs are binding on the Department.

In your letter, you inquire as follows:

xxx xxxx xxxxxxxx xxxxxxxxxxxx is an investment banker and stock brokerage firm headquartered in xxxxxxxx, Illinois servicing domestic and foreign clients. We also provide bookkeeping services for other stock brokerage firms located throughout the United States.

For federally reportable accounts, xxx xxxx xxx. provides information returns to each accounts and to the Internal Revenue Service. We furnish only tax information on dividends, interest, original issue discount, gross proceeds and IRA account distributions.

To comply with your state's laws and to update our records for any changes, we request your reporting requirements of payors of securities related income to residents of your state. Please provide copies of the law, statutes, and/or regulations defining the requirements and methods for filing required reports. Instructions related to the process and interpretive information on the legislation specifically related to the above mentioned payments would be helpful.

Please be advised that the Illinois Income Tax Act [IITA] formerly required informational reporting on Form Il-1096 only with respect to the following types of income:

1. Certain rent and royalty payments [IITA Sec. 1405.1];
2. Certain payments made under contracts for personal services [IITA Sec. 1405.2];
3. Certain payments of prizes and awards [IITA Sec. 1405.3].

Public Act 89-399, eff. 8/20/95 amended these sections to eliminate the requirement to file informational returns. From that date, the reporting party is instead required under each of those sections to maintain a record of qualifying payments in a format in which the record is available to review by the Department.

As we noted above, the foregoing discussion is a GIL and not a PLR. In order to request a PLR, it would be necessary to provide us with a request that complies with the requirements of IIT Reg. Sec. 1200.110 of our rules.

Very truly yours,

Jackson E. Donley
Associate Counsel